

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: Whiting Oil and Gas Corporation
Well Name/Number: Iverson Bros 31-1-1H
Location: (NW NE) Lot 2 Section 1 T25N R57E
County: Richland, MT; Field (or Wildcat) W/C (Bakken Horizontal)

Air Quality

(possible concerns)

Long drilling time: No, 20 to 30 days drilling time.

Unusually deep drilling (high horsepower rig): No, triple derrick drilling rig to drill a single lateral Bakken Formation well, 21,386'MD/10,399'TVD.

Possible H₂S gas production: Yes possible H₂S gas, slight chance from Mississippian Formations.

In/near Class I air quality area: No Class I air quality area in the area of review.

Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under rule 75-2-211.

Mitigation:

- ☐ Air quality permit (AQB review)
- ☐ Gas plants/pipelines available for sour gas
- ☐ Special equipment/procedures requirements
- ☐ Other: _____

Comments: No special concerns – using triple derrick drilling rig to drill a single lateral horizontal Bakken Formation well, 21,386'MD/10,399'TVD. If existing gas gathering system for natural gas in the area, associated gas can be gathered or if no gathering system nearby, associated gas can be flared under Board Rule 36.22.1220.

Water Quality

(possible concerns)

Salt/oil based mud: Yes, oil based invert mud system will be used for drilling the mainhole (oil/water ratio 70/30 invert mud) and saltwater for drilling the horizontal lateral. Freshwater and freshwater mud system will be used for drilling the surface hole, Rule 36.22.1001.

High water table: No, high water table at this well location.

Surface drainage leads to live water: No, closest drainages are unnamed ephemeral tributaries to Otis Creek, about 3/8 of a mile to the northeast and about 5/16 of a mile to the southeast from this location. Within in Otis Creek there is a stock pond, about 2.25 miles to the northeast from this location.

Water well contamination: None, closest water wells are about 5/8 of a mile to the north northwest, and about 5/8 of a mile to the west from this location. Depth of these stock water wells range from 90' to 120'. Surface hole will be drilled with freshwater and freshwater mud to 2000', rule 36.22.1001. Steel surface casing will be run and cemented from 2000' to surface.

Porous/permeable soils: No, sandy silty clay soils.

Class I stream drainage: No Class I stream drainages in the area of review.

Mitigation:

- ☐ Lined reserve pit

- ☒ Adequate surface casing
- ☐ Berms/dykes, re-routed drainage
- ☒ Closed mud system
- ☒ **Off-site disposal liquids (in approved facility)**
- ☒ Other: Lined cuttings pit, 14 mil pit liner.

Comments: 2000' of surface casing cemented to surface adequate to protect freshwater zones and will cover the base of the Fox Hills Formation, Rule 36.22.1001.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossings anticipated.

High erosion potential: No high erosion potential on this location, small cut, up to 4.1' and small fill, up to 0.7', required.

Loss of soil productivity: None, location to be restored after drilling well, if well is nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, a very large location, 425'X510' location size required for a 4 well locations, Iverson Bros 31-1-1H, Iverson Bros 31-1-2H, Iverson Bros 31-1-3H and Iverson Bros 31-1-4H.

Damage to improvements: Slight, surface use is cultivated land.

Conflict with existing land use/values: Slight

Mitigation

- ☐ Avoid improvements (topographic tolerance)
- ☐ Exception location requested
- ☒ Stockpile topsoil
- ☐ Stream Crossing Permit (other agency review)
- ☒ Reclaim unused part of wellsite if productive
- ☐ Special construction methods to enhance reclamation
- ☐ Other _____

Comments: Access to location will be over existing county road, #142. An access road of 3,911' will be built off the county road into this location. Oil based invert drilling fluids will be recycled. Pit fluids will be recycled for use on other Whiting wells or hauled to North Dakota for use on other Whiting wells or hauled to a Class II Disposal. Cuttings will be solidified with fly ash and buried in the lined cuttings pit. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Yes, nearest residences, about 1.125 miles to the west, about 1.25 miles to the west southwest, about 1.5 miles to the southwest and about 1.5 miles to the south from this location. The town of Fairview, Montana is about 13 miles to the southeast from this location.

Possibility of H2S: Slight possibility of H2S from Mississippian Formations.

Size of rig/length of drilling time: Triple drilling rig/short 20 to 30 days drilling time.

Mitigation:

- ☒ Proper BOP equipment
- ☐ Topographic sound barriers
- ☐ H2S contingency and/or evacuation plan
- ☐ Special equipment/procedures requirements

Other: _____
Comments: Adequate surface casing and operational BOP equipment should mitigate any problems. (BOP's 5,000 psig annular, pipe and blind rams) rule 36.22.1014. No concerns.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites: None identified
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: No
Threatened or endangered Species: Species identified as threatened or endangered are the Pallid Sturgeon, Interior Least Tern, Whooping Crane and Piping Plover.
Candidate species are the Greater Sage Grouse and the Sprague's Pipit. MTFWP Natural Heritage Tracker website indicates one (1) species of concern is the Whooping Crane.

Mitigation:
___ Avoidance (topographic tolerance/exception)
___ Other agency review (DFWP, federal agencies, DSL)
___ Screening/fencing of pits, drillsite
___ Other: _____
Comments: Private cultivated surface lands. There may be species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites None identified.
Mitigation
___ avoidance (topographic tolerance, location exception)
___ other agency review (SHPO, DSL, federal agencies)
___ Other: _____
Comments: Private cultivated surface lands. There may be possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)
___ Substantial effect on tax base
___ Create demand for new governmental services
___ Population increase or relocation
Comments: Wildcat well, no concerns.

Remarks or Special Concerns for this site

Whiting Oil and Gas to drill a wildcat single lateral horizontal Bakken Formation well, 21,386'MD/10,399'TVD.

Summary: Evaluation of Impacts and Cumulative effects

No significant long term impacts expected, some short term impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): /s/Steven Sasaki
(title:) Chief Field Inspector
Date: March 21, 2013

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Water wells in Richland County
(subject discussed)
March 21, 2013
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Richland County
(subject discussed)

March 21, 2013
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T25N R57E
(subject discussed)

March 21, 2013
(date)

Montana Cadastral Website
(Name and Agency)
Surface Ownership and surface use Section 1 T25N R57E
(subject discussed)

March 21, 2013

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____